

# **ARIZONA DEPARTMENT OF REVENUE**

**DATE:** March 28, 2001

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS<sup>1</sup>

## ***FEBRUARY 2001 TAX FACTS***

### **SUMMARY OF GENERAL FUND REVENUES**

	<u>February 2001</u>	<u>Fiscal Year Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$27,754,343	\$1,376,455,035
Percent Change	(67.3%)	2.7%
<b>Corporate Income Tax</b>		
Net Collections	\$5,619,236	\$323,855,672
Percent Change	279.4%	22.3%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$238,620,118	\$1,984,833,675
Change	10.2%	7.3%
<b>Total Big Three Tax Types</b>		
Net Collections	\$271,993,697	\$3,685,144,382
Percent Change	(10.2%)	6.6%

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<sup>1</sup> *The Office of Economic Research and Analysis has a new phone number. We can now be reached at (602) 542-4641. Although our phone number has changed, our extensions remain the same. Please update your records.*

# TAX FACTS

February 2001

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	February 2001	February 2000	% Change
Gross Collections	\$7,162,868	\$9,175,796	(21.9)
Withholding	197,821,024	213,303,374	(7.3)
Refunds	(144,191,828)	(106,235,564)	35.7
Urban Revenue Sharing	(33,037,720)	(31,475,916)	5.0
<b>Net Collections</b>	<b>\$27,754,343</b>	<b>\$84,767,690</b>	<b>(67.3)</b>
	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Gross Collections	\$303,106,283	\$297,080,859	2.0
Withholding	1,579,197,060	1,494,745,719	5.6
Refunds	(241,546,547)	(199,291,509)	21.2
Urban Revenue Sharing	(264,301,760)	(251,807,326)	5.0
<b>Net Collections</b>	<b>\$1,376,455,035</b>	<b>\$1,340,727,743</b>	<b>2.7</b>

### Federal Retiree Program & Federal Employees Retirement Contribution Program

During the month of February 2001 no refunds were issued to taxpayers as a result of the FRP or FERC programs. However, The law firm of Bonn, Lusher, Padden & Wilkins won a recent decision entitling the firm to 20% of each FERC claimant's refund that benefited from their work. In December 1997, the firm obtained a temporary restraining order requiring the department to withhold 20% of those refunds. During the month of February 2001 a warrant in the amount of \$2.955 million was issued to the law firm of Bonn, Lusher, Padden & Wilkins as a result of the court decision.

Due to the steady decline in refunds as a result of these two programs and the recent payout to the law firm representing taxpayers in the FERC program, we will no longer report these refunds separate from regular refunds.

### Individual Income Tax Document Count

In calendar year 2000, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	38,571	1,334,940	74,284	107,508	57	41,476	332,144	15,867	185,561	1	2,130,409
%	1.8	62.7	3.5	5.0	0.0	1.9	15.6	0.7	8.7	0.0	

In calendar year 2001 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	2,441	209,618	3,785	7,395	1	2,341	101,433	6,096	37,723	0	370,833
%	0.7	56.5	1.0	2.0	0.0	0.6	27.4	1.6	10.2	0.0	

For tax year 2000 filed in 2001, 370,833 returns have been filed. Due to problems associated with 2000 reports, an accurate comparison can not be made between February 2001 and February 2000.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 348,915 returns in calendar year 2001 for tax year 2000 from filers who also have returns on record from calendar year 1999 with the same marital status. On average, these filers experienced a 6.4% growth in FAGI and a 6.7% increase in tax liability. More specifically, 30.4% of these filers experienced a decrease in tax liability; on average a decrease of 28.6% with a corresponding average decrease in FAGI of 13.6%. Filers showing an increase in tax liability totaled 196,862, or 56.4%, with an average FAGI increase of 19.7% and an average tax liability increase of 33.1%.

### **Average Individual Income Tax Refund**

Beginning with calendar year 2001 taxpayers that opt to file their returns electronically were given the option to direct deposit their refund. The figures shown below for calendar year 2001 include direct deposits.

	Average	Number
2001 CYTD	\$462.52	291,556
2000 CYTD	\$454.53	220,067
% Change	1.8%	32.5%

### **"New" Filers in Calendar Year 2001**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2001. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 55,651 "new" returns have been filed thus far in 2001, representing approximately 64,902 persons, not including dependents. The average Federal Adjusted Gross Income for these 55,651 returns is \$15,077, with an average tax liability of \$160. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.3% had a married filing joint filing status, 3.3% claimed a 65 And Over Exemption and 53.2% claimed dependents.

### **Individual Income Tax Estimated Payments**

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1999 was \$344.6 million, for an average of \$1,684. A total additional \$57.2 million in estimated payments was received as refunds on the 1998 tax returns applied to 1999 estimates, for an average of \$1,712. Due to processing issues, January and February's estimated payments have been combined and can not be released individually. Therefore, an accurate comparison can not be made between February 2001 and February 2000 payments. However, February 2001 cumulative figures can be compared against February 2000.

Jan-Feb 01	140ES payment	\$80,574,127	Cumulative	\$345,240,161
Feb 00	140ES payment	N/A	Cumulative	\$341,871,620
	Percent change	N/A		1.0%
Jan-Feb 01	Average payment	\$2,884	Cumulative	\$1,647
Feb 00	Average payment	N/A	Cumulative	\$1,686
	Percent change	N/A		(2.3%)
Jan-Feb 01	Applied refund	\$294,917	Cumulative	\$62,747,519
Feb 00	Applied refund	N/A	Cumulative	\$56,819,616
	Percent change	N/A		10.4%
Total Jan-Feb 01		\$80,869,044	Cumulative	\$407,987,680
Total Feb 00		N/A	Cumulative	\$398,691,236
	Percent change	N/A		2.3%

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from September 1998 through December 1999, \$534,654,558 was received for the fourth quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 1999, which shows a growth rate of 10.1% in withholding payments over the fourth quarter of 1998. Growth in quarters for which information is still being gathered is as follows:

1 <sup>st</sup> Quarter 2000	14.1%	4 <sup>th</sup> Quarter 2000	5.6%
2 <sup>nd</sup> Quarter 2000	10.6%	1 <sup>st</sup> Quarter 2001	(0.05%)
3 <sup>rd</sup> Quarter 2000	6.5%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fifth month of information available for the fourth quarter of 2000 was compared against the fifth month of collections for the fourth quarter of 1999. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2001	5,363	\$1,797,259	\$335.12
Calendar Year 2000	4,491	\$1,497,113	\$333.36
% Change	19.4%	20.0	0.5%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 1999, filed in 2000 and later, these options are available.

	February 2001	Year to Date
Check Off	\$294,102	\$308,577
Voluntary Donation	\$5,249	\$5,708
Number of Returns	42,362	44,753

### **Contributions on the Individual Income Tax Return**

Through February 2001, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	1,718	\$24,995	\$14.55
Child Abuse	2,229	\$32,918	\$14.77
Special Olympics	931	\$12,024	\$12.92
Neighbors Helping	516	\$8,131	\$15.76
AID to Education	66	\$3,726	\$56.45
Domestic Violence Shelter	1,476	\$21,082	\$14.28
Democratic Party	94	\$1,773	\$18.86
Republican Party	72	\$1,298	\$18.03
Libertarian Party	20	\$385	\$19.25
Reform Party	0	\$0	\$0.00
Green Party	19	\$269	\$14.16
Natural Law	1	\$5	\$5.00

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

	February 2001	February 2000	% Change
Gross Collections	\$11,234,633	\$12,547,382	(10.5)
Refunds	(\$5,615,396)	(\$11,066,352)	(49.3)
<b>Net Collections</b>	<b>\$5,619,236</b>	<b>\$1,481,030</b>	<b>279.4</b>

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Gross Collections	\$424,531,623	\$341,886,922	24.3
Refunds	(\$100,675,950)	(\$77,049,566)	30.7
<b>Net Collections</b>	<b>\$323,855,672</b>	<b>\$264,837,356</b>	<b>22.3</b>

### Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

February 2001	\$6,958,668	Calendar Year Total	\$24,579,563
February 2000	\$9,142,167	Calendar Year Total	\$28,895,873
% Change	(23.9%)	% Change	(14.9%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for February 2001 and for the fiscal year.

Size of Payment	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
February 2001	85	6	8	2	0	0	101	(9.0)
February 2000	86	10	11	3	1	0	111	
<b>CY 2001</b>	244	23	24	6	4	0	301	(4.8)
<b>CY 2000</b>	247	30	28	8	3	0	316	

### Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 12.2% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>95 &amp; Prior</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>00</b>
FY 99/00	5.0	1.5	4.4	62.8	26.1	0.3
<b>Corporate Fiscal Year-End:</b>	<b>96 &amp; Prior</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>00</b>	<b>01</b>
FY 00/01	9.7	6.8	2.5	73.6	7.5	0.0

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

February 2001	\$4,239,514	Calendar Year Total	\$6,852,564
February 2000	<u>(\$1,611,922)</u>	Calendar Year Total	<u>\$3,647,643</u>
% Change	N/A	% Change	87.9%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 98,543 corporate returns showing a fiscal year-end of 1999. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	352	45,142	46,163	342	6,544
%	0.4	45.8	46.8	0.3	6.6

Through February 2001, 12,386 documents have been received for a fiscal year-end of 2000, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	23	9,562	535	68	2,198
%	0.2	77.2	4.3	0.5	17.7

The figures shown above for the 2000 returns are most meaningful when compared to 1999 returns received during the same period of time in the previous year. Through February 2000, the Arizona Department of Revenue received 15,769 documents with a fiscal year-end of 1999. This represents a 21.5% decrease in corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2000/01 is based on net income tax collections in Fiscal Year 1998/1999. Amounts returned for February 2001 are shown on Table 2, at the end of this report.

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## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Due to new legislation, mining severance is now 100% distribution base. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>February 2001</b>	<b>February 2000</b>	<b>% change</b>
Distribution Base	\$100,057,697	\$92,366,582	8.3
Non shared	186,869,678	171,531,027	8.9
Use Tax	17,393,023	13,412,011	29.7
Other Revenues	37,732,893	34,199,985	10.3
<b>Total Collections</b>	<b>\$342,053,291</b>	<b>\$311,509,605</b>	<b>9.8</b>

	<b>Fiscal Year Total (00/01)</b>	<b>Fiscal Year Total (99/00)</b>	<b>% change</b>
Distribution Base	\$825,670,918	\$781,091,160	5.7
Non shared	1,567,291,529	1,468,297,070	6.7
Use Tax	134,029,072	113,394,980	18.2
Other Revenues	313,627,211	287,303,507	9.2
<b>Total Collections</b>	<b>\$2,840,618,729</b>	<b>\$2,650,086,717</b>	<b>7.2</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	<b>February 2001</b>	<b>February 2000</b>	<b>% change</b>
Retained by State	\$238,620,118	\$216,519,630	10.2
Returned to Counties	40,627,675	37,591,262	8.1
Returned to Cities	25,072,606	23,198,727	8.1
Other	37,732,893	34,199,985	10.3
<b>Total Collections</b>	<b>\$342,053,291</b>	<b>\$311,509,605</b>	<b>9.8</b>

	<b>Fiscal Year Total (00/01)</b>	<b>Fiscal Year Total (99/00)</b>	<b>% change</b>
Retained by State	\$1,984,833,675	\$1,850,328,628	7.3
Returned to Counties	335,259,034	316,891,134	5.8
Returned to Cities	206,898,810	195,563,448	5.8
Other	313,627,211	287,303,507	9.2
<b>Total Collections</b>	<b>\$2,840,618,729</b>	<b>\$2,650,086,717</b>	<b>7.2</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>February 2001</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5%	\$678,256	N/A	\$3,462,955	149.2
Non-Metal Mining/Oil & Gas	3.125%	472,323	6.9	4,634,795	3.2
Utilities	5%	23,022,539	10.4	205,586,531	10.3
Communications	5%	12,000,450	9.4	96,787,283	21.2
Railroads/Aircraft	5%	89,387	(54.1)	1,003,155	(6.9)
Private Car/Pipelines	5%	124,089	653.7	742,314	613.2
Publishing	5%	525,993	26.0	4,080,928	10.3
Printing	5%	1,623,747	0.1	13,505,495	(2.4)
Restaurants/Bars	5%	26,125,149	7.1	201,424,151	6.6
Amusements	5%	3,473,500	5.7	23,276,535	(1.6)
Commercial Lease	0%	83,068	(77.5)	3,787,949	(65.3)
Rental of Personal Property	5%	16,086,601	18.0	120,008,698	8.2
Contracting	3.75% - 5%	41,623,004	7.4	373,608,018	3.4
Feed Wholesale	Repealed	183	N/A	94	N/A
Retail	5%	149,798,535	7.9	1,273,111,295	6.6
Advertising	0	0	N/A	0	N/A
Mining Severance*	2.5%	442,107	(45.8)	3,655,742	(62.2)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	723	(89.6)
Hotel/Motel	5.5%	9,955,365	15.1	60,537,002	8.0
Membership Camping	5%	16,191	15.5	72,724	45.3
Use/Use Inventory	5%	17,393,024	29.7	134,029,072	18.2
Rental Occupancy Tax	3%	11,713	21.7	83,459	46.7
Jet Fuel Tax	\$.0305/\$.0105 gal	794,534	0.8	3,552,730	14.2

	<b>Tax Rate</b>	<b>February 2001</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	417,198	1.1	3,279,777	0.6
Poison Control Fund	----	154,306	1.1	1,213,068	0.6
911 Excise	1.25%	706,444	8.4	5,423,429	5.7
911 Wireless Service	\$0.10 monthly per activated service	183,972	35.0	1,372,063	53.7
<b>Total</b>		<b>\$305,801,679</b>	<b>9.7</b>	<b>\$2,538,239,984</b>	<b>7.0</b>

\*Beginning with December 1999 the mining severance tax base has changed.

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>2</sup>**

	<b>February 2001</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$13,565,128	N/A	\$69,259,092	149.2
Non-Metal Mining/Oil & Gas	15,114,340	6.9	148,313,425	3.2
Utilities	460,450,789	10.4	4,111,730,617	10.3
Communications	240,008,990	9.4	1,935,745,659	21.2
Railroads/Aircraft	1,787,747	(54.1)	20,063,102	(6.9)
Private Car/Pipelines	2,481,777	653.7	14,846,289	613.2
Publishing	10,519,867	26.0	81,618,562	10.3
Printing	32,474,937	0.1	270,109,899	(2.4)
Restaurants/Bars	522,502,989	7.1	4,028,483,016	6.6
Amusements	69,469,993	5.7	465,530,707	(1.6)
Commercial Lease	6,087,154	(66.5)	181,401,400	(62.8)
Rental of Personal Property	321,732,024	18.0	2,400,173,958	8.2
Contracting	832,460,071	7.2	7,469,352,842	3.4
Feed Wholesale	39,011	N/A	19,998	N/A
Retail	2,995,970,692	7.9	25,462,226,699	6.6
Advertising	0	N/A	0	N/A
Mining Severance*	17,684,299	(45.8)	146,229,691	(62.2)
Timber Severance	0	N/A	134	N/A
Hotel/Motel	181,006,642	15.1	1,100,672,757	8.0
Membership Camping	323,826	15.5	1,454,487	45.3
Use/Use Inventory	340,595,312	29.9	2,671,021,472	18.3
Rental Occupancy Tax	390,436	21.7	2,781,958	43.3
<b>Total</b>	<b>\$6,064,666,023</b>	<b>9.4</b>	<b>\$50,581,035,763</b>	<b>6.3</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In February 2001, 37,960,383 gallons of jet fuel were taxed, a 6.5% increase from the 35,653,173 reported for February 2000. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

<sup>2</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

\*Beginning with December 1999, the mining severance tax base has changed.



### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in February 2001 was \$1,726,562 a 0.1% increase from the \$1,724,507, claimed in February 2000. Accounting credits claimed-to-date in FY 00/01 equals \$10,120,769 a 3.1% increase from the \$9,816,437 a claimed during the same period in FY 99/00.

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>February 2001</u></b>	<b><u>February 2000</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$163,073,800	\$157,450,107	3.6
5311-5399	general merchandise stores	289,881,755	266,728,918	8.7
5411-5499	food stores (no food sales)	288,790,177	226,772,965	27.3
5511-5521	motor vehicle dealers	529,462,042	536,281,245	(1.3)
5531-5599	misc. automotive, motorcycle & boat stores	140,963,809	143,677,088	(1.9)
5611-5699	apparel & accessory stores	165,563,266	135,275,798	22.4
5712-5733	furniture, home furnishings & equipment stores	162,990,148	157,384,941	3.6
5912-5949	misc. retail stores	201,313,498	198,244,817	1.5
<b>TOTAL</b>		<b>\$2,995,970,692</b>	<b>\$2,775,844,934</b>	<b>7.9</b>

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>FY 2001</u></b>	<b><u>FY 2000</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,318,122,803	\$1,272,951,609	3.5
5311-5399	general merchandise stores	2,647,761,188	2,529,276,618	4.7
5411-5499	food stores (no food sales)	2,055,246,939	1,941,983,905	5.8
5511-5521	motor vehicle dealers	4,473,078,294	4,115,561,251	8.7
5531-5599	misc. automotive, motorcycle & boat stores	1,215,810,657	1,200,895,627	1.2
5611-5699	apparel & accessory stores	1,560,707,065	1,439,243,984	8.4
5712-5733	furniture, home furnishings & equipment stores	1,399,046,460	1,327,752,912	5.4
5912-5949	misc. retail stores	1,812,676,796	1,793,614,554	1.1
<b>TOTAL</b>		<b>\$25,462,225,899</b>	<b>\$23,879,775,824</b>	<b>6.6</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for February 2001 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$181,470	\$321,838	0.8	\$3,119,103	(16.3)
Cochise	1,384,226	769,391	1.9	6,367,196	5.8
Coconino	1,929,029	981,832	2.4	9,443,834	2.1
Gila	645,510	451,485	1.1	3,005,003	14.9
Graham	321,867	195,696	0.5	1,643,685	4.2
Greenlee	406,108	246,562	0.6	2,059,978	(2.3)
La Paz	412,661	154,208	0.4	997,640	4.1
Maricopa	69,006,094	25,960,142	63.9	212,650,284	6.7
Mohave	2,158,110	1,004,170	2.5	8,624,426	1.9
Navajo	1,198,413	602,653	1.5	5,348,325	2.9
Pima	15,391,991	6,425,545	15.8	52,704,117	5.8
Pinal	1,631,318	1,001,312	2.5	8,285,372	8.2
Santa Cruz	549,959	259,643	0.6	2,205,184	6.4
Yavapai	2,513,831	1,262,330	3.1	11,060,559	3.4
Yuma	2,327,108	990,867	2.4	7,744,329	4.2
<b>Total</b>	<b>\$100,057,697</b>	<b>\$40,627,675</b>		<b>\$335,259,034</b>	<b>5.8</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for February 2001 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during February 2000 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax</b>	<b>Capitol Projects</b>
Apache		\$60,359						
Cochise		\$407,519						
Coconino		\$553,908	\$331,992					
Gila	\$201,553	\$196,177					\$7	
Graham		\$94,771						
Greenlee		\$48,578						
La Paz		\$109,846	\$109,793					
Maricopa	\$20,833,956		\$7,666,176	\$484,813	\$34,384			
Mohave		\$315,169						
Navajo		\$341,799						
Pima				\$127,128		\$24,847		
Pinal	\$533,601	\$516,270						
Santa Cruz		\$154,118						
Yavapai		\$732,175	\$291,673					
Yuma		\$659,241	\$658,624					\$645,437

## OTHER TAXES

### **Luxury Taxes**

The following revenues were received from luxury taxes in February 2001. The table compares the receipts to February 2000 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>February 2001</b>	<b>February 2000</b>	<b>% Change</b>
Spirituous	\$1,591,202	\$1,673,843	(4.9)
Vinous	601,039	801,005	(25.0)
Malt	1,722,941	1,554,223	10.9
Cigarette	11,616,392	12,231,101	(5.0)
Other Tobacco	210,641	279,883	(24.7)
Tobacco Licenses	100	250	(60.0)
<b>Total</b>	<b>\$15,742,316</b>	<b>\$16,540,305</b>	<b>(4.8)</b>

	<b>Fiscal Year Total (00/01)</b>	<b>Fiscal Year Total (99/00)</b>	<b>% Change</b>
Spirituous	\$14,081,959	\$13,666,693	3.0
Vinous	5,569,229	6,292,442	(11.5)
Malt	14,073,751	13,948,813	0.9
Cigarette*	102,155,273	104,350,384	(2.1)
Other Tobacco	2,183,132	2,440,495	(10.5)
Tobacco Licenses	5,125	6,750	(24.1)
<b>Total</b>	<b>\$138,068,470</b>	<b>\$140,705,577</b>	<b>(1.9)</b>

\*Through February 2001, \$386,100 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>February 2001</b>	<b>FY (00/01)</b>
Spirituous	\$1,113,841	\$9,857,372
Vinous	149,802	1,389,064
Malt	430,735	3,518,437
Cigarette	3,283,492	28,298,792
Other Tobacco	32,649	338,385
Tobacco Licenses	100	5,125
<b>Total</b>	<b>\$5,010,620</b>	<b>\$43,407,175</b>

### **Other dedicated revenues from luxury taxes:**

	<b>February 2001</b>	<b>FY (00/01)</b>
Correction Fund revenues	\$1,922,401	\$16,507,128
Health Care Fund revenues	8,067,807	71,825,497
Wine Promotional Fund revenues	1,831	12,971
Drug Treatment & Education Fund revenues	529,371	4,519,139
Corrections Revolving Fund revenues	210,287	1,796,560

**Estate Tax**

	February 2001	\$6,236,772	Fiscal year To Date	\$53,570,766
	February 2000	<u>\$3,311,348</u>	Fiscal year To Date	<u>\$46,578,427</u>
% Change		88.3%	% Change	15.0%

**Private Car**

	February 2001	\$0	Fiscal year To Date	\$1,349,677
	February 2000	<u>\$8,622</u>	Fiscal year To Date	<u>\$1,476,728</u>
% Change		N/A	% Change	(8.6%)

**Bingo**

	February 2001	\$32,687	Fiscal year To Date	\$430,919
	February 2000	<u>\$49,634</u>	Fiscal year To Date	<u>\$454,564</u>
% Change		(34.1%)	% Change	(5.2%)

**Unclaimed Property**

	February 2001	\$266,650	Fiscal year To Date	\$17,847,808
	February 2000	<u>\$1,212,430</u>	Fiscal year To Date	<u>\$16,550,117</u>
% Change		(78.0%)	% Change	7.8%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2001 for Tax Year 2000**  
**Through February 2001**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
negative FAGI	34	0.1%	-\$14,049	\$0	20.0%	62.5%	10.0%	7.5%	20.0%	10.0%
<b>\$0-\$5,000</b>	<b>10,477</b>	<b>18.8%</b>	<b>\$3,038</b>	<b>\$1</b>	<b>3.3%</b>	<b>76.9%</b>	<b>19.5%</b>	<b>0.2%</b>	<b>1.6%</b>	<b>26.2%</b>
\$5,000-\$10,000	14,212	25.5%	\$7,427	\$22	7.0%	57.0%	35.6%	0.4%	3.2%	46.8%
<b>\$10,000-\$15,000</b>	<b>10,569</b>	<b>19.0%</b>	<b>\$12,398</b>	<b>\$58</b>	<b>13.6%</b>	<b>34.1%</b>	<b>51.7%</b>	<b>0.6%</b>	<b>4.6%</b>	<b>65.6%</b>
\$15,000-\$20,000	7,665	13.8%	\$17,294	\$125	20.0%	27.7%	51.6%	0.7%	4.4%	68.8%
<b>\$20,000-\$25,000</b>	<b>4,540</b>	<b>8.2%</b>	<b>\$22,293</b>	<b>\$238</b>	<b>25.1%</b>	<b>27.9%</b>	<b>45.9%</b>	<b>1.1%</b>	<b>2.9%</b>	<b>67.9%</b>
\$25,000-\$30,000	2,545	4.6%	\$27,316	\$377	29.7%	31.7%	37.1%	1.5%	2.6%	62.9%
<b>\$30,000-\$40,000</b>	<b>2,699</b>	<b>4.8%</b>	<b>\$34,281</b>	<b>\$552</b>	<b>37.6%</b>	<b>32.5%</b>	<b>28.1%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>58.6%</b>
\$40,000-\$50,000	1,195	2.1%	\$44,541	\$796	50.5%	28.5%	20.6%	0.4%	3.4%	58.4%
<b>\$50,000-\$75,000</b>	<b>1,244</b>	<b>2.2%</b>	<b>\$59,431</b>	<b>\$1,136</b>	<b>67.8%</b>	<b>17.6%</b>	<b>13.9%</b>	<b>0.7%</b>	<b>3.9%</b>	<b>61.8%</b>
\$75,000-\$100,000	324	0.6%	\$84,971	\$1,824	80.2%	12.7%	7.1%	0.0%	2.8%	57.4%
<b>\$100,000-\$200,000</b>	<b>132</b>	<b>0.2%</b>	<b>\$125,894</b>	<b>\$3,179</b>	<b>81.2%</b>	<b>9.8%</b>	<b>9.0%</b>	<b>0.0%</b>	<b>1.5%</b>	<b>60.9%</b>
\$200,000-\$500,000	15	0.0%	265,047	\$9,104	86.7%	6.7%	6.7%	0.0%	0.0%	40.0%
<b>\$500,000-\$1,000,000</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
<b>Total</b>	<b>55,651</b>		<b>\$15,077</b>	<b>\$160</b>	<b>16.3%</b>	<b>45.8%</b>	<b>37.3%</b>	<b>0.6%</b>	<b>3.3%</b>	<b>53.2%</b>

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2000 FOR TAX YEAR 1999**

<b>Total</b>	<b>223,341</b>	<b>\$18,902</b>	<b>\$336</b>	<b>18.9%</b>	<b>60.2%</b>	<b>18.5%</b>	<b>2.4%</b>	<b>7.5%</b>	<b>30.2%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**February 2001**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,629,993	168,176
Eagar	\$43,760	4,515	Surprise	104,065	10,737
Springerville	18,609	1,920	Tempe	1,490,862	153,821
St. Johns	32,566	3,360	Tolleson	42,995	4,436
<b><u>Cochise County</u></b>			Wickenburg	46,183	4,765
Benson	\$39,883	4,115	Youngtown	26,111	2,694
Bisbee	62,999	6,500	<b><u>Mohave County</u></b>		
Douglas	143,250	14,780	Bullhead City	\$261,107	26,940
Huachuca City	18,803	1,940	Colorado City	30,918	3,190
Sierra Vista	366,510	37,815	Kingman	162,528	16,769
Tombstone	13,618	1,405	Lake Havasu City	351,681	36,285
Willcox	34,242	3,533	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$49,139	5,070
Flagstaff	\$528,030	54,480	Pinetop-Lakeside	31,994	3,301
Fredonia	12,115	1,250	Show Low	67,729	6,988
Page	77,053	7,950	Snowflake	39,932	4,120
Williams	26,072	2,690	Taylor	25,733	2,655
<b><u>Gila County</u></b>			Winslow	104,482	10,780
Globe	\$68,407	7,058	<b><u>Pima County</u></b>		
Hayden	8,820	910	Marana	\$59,258	6,114
Miami	19,772	2,040	Oro Valley	190,519	19,657
Payson	106,653	11,004	Sahuarita	22,399	2,311
Winkelman	6,552	676	South Tucson	52,842	5,452
<b><u>Graham County</u></b>			Tucson	4,301,614	443,823
Pima	\$17,931	1,850	<b><u>Pinal County</u></b>		
Safford	85,030	8,773	Apache Junction	\$189,240	19,525
Thatcher	38,352	3,957	Casa Grande	202,373	20,880
<b><u>Greenlee County</u></b>			Coolidge	68,378	7,055
Clifton	\$29,028	2,995	Eloy	86,406	8,915
Duncan	7,124	735	Florence	110,394	11,390
<b><u>La Paz County</u></b>			Kearny	23,794	2,455
Parker	\$28,592	2,950	Mammoth	18,997	1,960
Quartzsite	19,433	2,005	Superior	33,777	3,485
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$220,701	22,771	Nogales	\$200,192	20,655
Buckeye	47,075	4,857	Patagonia	9,159	945
Carefree	22,156	2,286	<b><u>Yavapai County</u></b>		
Cave Creek	29,813	3,076	Camp Verde	\$72,352	7,465
Chandler	1,282,858	132,360	Chino Valley	60,848	6,278
El Mirage	55,643	5,741	Clarkdale	25,200	2,600
Fountain Hills	137,106	14,146	Cottonwood	63,435	6,545
Gila Bend	16,932	1,747	Jerome	4,458	460
Gilbert	575,115	59,338	Prescott	301,291	31,086
Glendale	1,769,938	182,615	Prescott Valley	155,492	16,043
Goodyear	89,653	9,250	Sedona	86,202	8,894
Guadalupe	52,900	5,458	<b><u>Yuma County</u></b>		
Litchfield Park	36,239	3,739	San Luis	\$77,789	8,026
Mesa	3,277,092	338,117	Somerton	56,447	5,824
Paradise Valley	120,648	12,448	Wellton	10,913	1,126
Peoria	722,698	74,565	Yuma	608,592	62,792
Phoenix	11,140,362	1,149,417	<b>TOTAL</b>	<b>\$33,037,720</b>	<b>3,408,697</b>
Queen Creek	29,774	3,072			

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**February 2001**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,237,015	168,176
Eagar	\$33,210	4,515	Surprise	78,976	10,737
Springerville	14,123	1,920	Tempe	1,131,427	153,821
St. Johns	24,714	3,360	Tolleson	32,629	4,436
<b><u>Cochise County</u></b>			Wickenburg	35,049	4,765
Benson	\$30,268	4,115	Youngtown	19,816	2,694
Bisbee	47,811	6,500	<b><u>Mohave County</u></b>		
Douglas	108,714	14,780	Bullhead City	\$198,157	26,940
Huachuca City	14,270	1,940	Colorado City	23,464	3,190
Sierra Vista	278,148	37,815	Kingman	123,344	16,769
Tombstone	10,334	1,405	Lake Havasu City	266,894	36,285
Willcox	25,987	3,533	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$37,292	5,070
Flagstaff	\$400,727	54,480	Pinetop/Lakeside	24,280	3,301
Fredonia	9,194	1,250	Show Low	51,400	6,988
Page	58,476	7,950	Snowflake	30,305	4,120
Williams	19,786	2,690	Taylor	19,529	2,655
<b><u>Gila County</u></b>			Winslow	79,292	10,780
Globe	\$51,915	7,058	<b><u>Pima County</u></b>		
Hayden	6,693	910	Marana	\$44,971	6,114
Miami	15,005	2,040	Oro Valley	144,587	19,657
Payson	80,940	11,004	Sahuarita	16,999	2,311
Winkelman	4,972	676	South Tucson	40,102	5,452
<b><u>Graham County</u></b>			Tucson	3,264,532	443,823
Pima	\$13,608	1,850	<b><u>Pinal County</u></b>		
Safford	64,530	8,773	Apache Junction	\$143,616	19,525
Thatcher	29,106	3,957	Casa Grande	153,582	20,880
<b><u>Greenlee County</u></b>			Coolidge	51,893	7,055
Clifton	\$22,030	2,995	Eloy	65,574	8,915
Duncan	5,406	735	Florence	83,779	11,390
<b><u>La Paz County</u></b>			Kearny	18,058	2,455
Parker	\$21,699	2,950	Mammoth	14,417	1,960
Quartzsite	14,748	2,005	Superior	25,634	3,485
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$167,492	22,771	Nogales	\$151,927	20,655
Buckeye	35,726	4,857	Patagonia	6,951	945
Carefree	16,815	2,286	<b><u>Yavapai County</u></b>		
Cave Creek	22,626	3,076	Camp Verde	\$54,909	7,465
Chandler	973,571	132,360	Chino Valley	46,178	6,278
El Mirage	42,228	5,741	Clarkdale	19,124	2,600
Fountain Hills	104,051	14,146	Cottonwood	48,142	6,545
Gila Bend	12,850	1,747	Jerome	3,384	460
Gilbert	436,460	59,338	Prescott	228,652	31,086
Glendale	1,343,221	182,615	Prescott Valley	118,004	16,043
Goodyear	68,038	9,250	Sedona	65,420	8,894
Guadalupe	40,146	5,458	<b><u>Yuma County</u></b>		
Litchfield Park	27,502	3,739	San Luis	\$59,035	8,026
Mesa	2,487,013	338,117	Somerton	42,838	5,824
Paradise Valley	91,561	12,448	Wellton	8,282	1,126
Peoria	548,461	74,565	Yuma	461,865	62,792
Phoenix	8,454,515	1,149,417	<b>TOTAL</b>	\$25,072,606	3,408,697
Queen Creek	22,596	3,072			

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